

**APPROVAL OF REQUEST FOR CLASS DEVIATION TO  
FAR 42.703-1(b), 42.703-1(c)(2), and 42.708(a)(2)(i)**

**Use of Quick Close-Out Procedure for Cost-Reimbursement, Fixed-Price Incentive,  
Fixed-Price Redeterminable and Time-and-Materials Contracts**


In accordance with DFARS 201.404(b)(i) and (ii), I hereby approve this class deviation to FAR 42.703-1(b), FAR 42.703-1(c)(2), and FAR 42.708(a)(2)(i).

This deviation authorizes certain Air Force contracting offices to close specific contracts prior to the establishment of final indirect cost rates, regardless of dollar value or the percent of unsettled indirect costs allocable. This deviation may be used provided the contractor has submitted a final certified indirect cost rate proposal which is audited by the Defense Contract Audit Agency (DCAA). This deviation is subject to the following conditions:

- It applies to cost-reimbursement, fixed-price incentive, fixed-price redeterminable, and time-and-materials contracts of prime and lower tier subcontractors.
- The contracting office shall use either the DCAA-recommended rates or other rates mutually agreed to by the cognizant Defense Contract Management Command (DCMC) ACO and the contractor in determining the final indirect expenses.
- In selected instances the audit requirement may be waived when compelling reasons exist. The decision to waive the audit shall be by the cognizant DCMC ACO in consultation with DCAA.
- The contracting office shall ensure contract close-out under this deviation does not impact the Government's negotiation flexibility on the remaining unsettled contracts. Indirect cost rates used under this deviation shall not be considered as precedent when establishing the final indirect cost rates for other contracts. This deviation shall not be used if there are significant open cost issues, such as Cost Accounting Standards non-compliances, or issues in litigation.
- This deviation is limited to contracts awarded by, and retained for administration by, the Air Force Materiel Command or Air Force Space Command for the period commencing with the date of this deviation and terminating on September 30, 2001.

7 MAR 2000

Date

  
TIMOTHY A. BEYLAND  
Acting Deputy Assistant Secretary  
(Contracting)  
Assistant Secretary (Acquisition)